

EDUCATION DEPARTMENT [281]

Adopted and Filed

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby amends Chapter 56, “Iowa Vocational Rehabilitation Services,” Iowa Administrative Code.

Many of the proposed amendments are nonsubstantive clean-up items that primarily reflect actual practice and that will not alter the services provided to clients of the Division of Vocational Rehabilitation Services. The proposed amendments of consequence do the following:

- Item 1 adds a definition of “menu of services” (and Items 6 and 8 through 10 reflect the addition of this term) because this term is used by the Division in client materials; adding the term to the rules makes the menu of services more generally accessible to the public and to clients.
- Items 3 and 4 clarify eligibility for Division services of recipients of social security disability payments or Supplemental Security Income payments, not because of any new laws or regulations, but because current language is not clear.
- Items 5, 7 and 8 change postsecondary education assistance in order to assist the greatest practical number of eligible clients. The amount of assistance to an eligible client in the first or second year of college will be based on the tuition charged by the least expensive Iowa community college, even if the client is enrolled in a four-year postsecondary institution. The amendments also add paragraphs about various graduate schools, non-credit courses, and distance learning. A copy of these proposed changes was sent to the financial aid administrator of every postsecondary institution in Iowa. Two pre-Notice comments were received. One financial aid administrator merely asked for a timeline of when the rates will be published. The other financial aid administrator (from a community college) noted that these changes may encourage more students to take their first two years of postsecondary work at a community college, but also noted that the reality of serving more students with fewer dollars to each student served may mean that some students discontinue their postsecondary education. The commenter added that students who qualify for other financial aid will retain the potential to have full coverage of the students’ postsecondary costs.
- Item 13 adds a factor to those considered by the Division when purchasing items for a client and provides for repossession of the item by the Division.
- Item 14 makes the process of appealing a denial of services easier for a client or would-be client of the Division.
- Items 15 through 20 pertain to the Iowa self-employment program, reducing from three to two the number of document requirements scored by business development specialists and adding provisions consistent with federal law regarding types of business ventures that may not be funded by the program.

An agencywide waiver provision is provided in 281—Chapter 4.

Notice of Intended Action was published in the April 7, 2010, Iowa Administrative Bulletin as **ARC 8641B**. Public comments were allowed until 4:30 p.m. on April 27, 2010. No one requested a public hearing; no written or oral comments were received.

These amendments are identical to those published under Notice.

These amendments are intended to implement Iowa Code chapter 259.

These amendments shall become effective July 7, 2010.

The following amendments are adopted.

ITEM 1. Adopt the following new definition of “Menu of services” in rule **281—56.3(259)**:

“*Menu of services*” means the services provided by community partners to assist an individual with a disability in achieving an employment outcome. The services are selected and jointly agreed to by the counselor and client of the division. Payments for services are made based on a fee structure that is published and updated annually and include the following:

1. Referral to the community provider completed by the counselor and client for a desired outcome;
2. Assessment through a community work-site assessment, comprehensive vocational evaluation, facility work site assessment, career exploration, or job shadowing assessment to identify a realistic vocational goal that is compatible with the individual’s needs, preferences, abilities, disability, and informed choice;
3. Enhanced planning requested by the counselor and coordinated with community partners when conflicting and multiple issues are preventing the client from moving forward with employment, so that a comprehensive plan is developed to achieve the employment outcome;
4. Placement services selected by the counselor, client and interested partners to prepare for and obtain employment. Placement services include the following:
 - Vocational preparation that enhances and improves the client’s ability to perform specific work, learn the necessary skills to do a specific job, minimize negative work habits and behaviors that have impeded job retention, develop skills in finding a job, and learn how to navigate transportation systems to and from work;
 - Work adjustment training that remedies negative work habits and behaviors, improves work tolerance, and develops strategies to improve a client’s ability to maintain employment;

- Job-seeking skills training that teaches the client strategies necessary to find employment with or without assistance and at the level required by the client's needs;
- Job development and job follow-up that places the client on a job in the community working for a business, maintains contact with the employer on the client's progress, is jointly funded through the Medicaid waiver program when appropriate, and is purchased only when used in conjunction with another required service;
- Employer development that, through a job analysis, identifies for businesses the job tasks and customized training plan for the job for which the client will be trained, is authorized only as a stand-alone service when the Medicaid waiver funds the job development and is purchased only when used in conjunction with another required service;
- Supported job coaching that assists the client in learning job-specific skills and work habits and behaviors while employed on the job and that continues as needed after the division file is closed;
- Selected job coaching that assists the client in learning job-specific skills and work habits and behaviors while employed on the job and that is purchased only when approved by the area office supervisor.

ITEM 2. Amend rule **281—56.3(259)**, definition of “Supported employment services,” as follows:

“Supported employment services” means ongoing support services and other appropriate services needed to support and maintain an individual with a most significant disability in supported employment that are provided by the division and documented through the employment readiness analysis and placement plan:

1. For a period of time not to exceed 18 months unless, under special circumstances, the eligible individual and the rehabilitation counselor jointly agree to extend the time to achieve the employment outcome identified in the IPE; and
2. Following successful case closure, as postemployment services that are unavailable from an extended service provider and that are necessary for the individual to maintain or regain the job placement or to advance in employment.

ITEM 3. Amend rule 281—56.4(259) as follows:

281—56.4(259) Individuals who are recipients of SSD/SSI. Recipients of social security disability payments or supplemental security income payments are ~~automatically eligible for vocational rehabilitation services and are~~ determined automatically as being significantly disabled and are eligible for vocational rehabilitation services if such recipients demonstrate eligibility under rules 281—56.8(259) and 281—56.13(259). Recipients who demonstrate eligibility under rules 281—56.8(259) and 281—56.13(259) must also demonstrate need in the employment plan under rule 281—56.14(259). Nothing in this rule automatically entitles a recipient of

social security disability payments or supplemental security income payments to any good or service provided by the division.

ITEM 4. Amend rule 281—56.11(259) as follows:

281—56.11(259) Establishment of financial need. The division establishes the client's financial need prior to providing physical restoration, including prostheses; transportation (for other than diagnostic, guidance or placement purposes); maintenance; and occupational licenses, tools and equipment. Recipients of SSD/SSI are not subject to a financial needs test for any services but must demonstrate eligibility under rules 281—56.8(259) and 281—56.13(259), as well as demonstrate need in the employment plan under rule 281—56.14(259).

In determining financial need, the clients or, in the case of minors, the minors' parents or guardians are required to make a specific declaration regarding all family income from any source that may be applied toward the cost of rehabilitation services, except those of diagnosis, counseling, training and placement, which are provided without regard to financial need; however, the division shall not pay for more than the balance of the cost of the service minus comparable services and benefits. The income should be available to the client; that is, actually on hand, free from prior obligations and ready when needed.

The division shall observe the following policies in making a determination of financial need based upon the findings:

56.11(1) to 56.11(7) No change.

ITEM 5. Amend rule 281—56.15(259) as follows:

281—56.15(259) Scope of services. All necessary vocational rehabilitation services, including counseling, physical restoration, training, and placement, are made available to eligible individuals to the extent necessary to achieve their vocational rehabilitation and must be included in the employment plan and agreed to by the eligible individual's counselor before the service is delivered. The division cooperates with federal and other state agencies providing vocational rehabilitation or similar services, and written agreements providing for interagency cooperation may be entered into as required by the Act at the discretion of the division. In selected instances, the division assumes responsibility for providing short periods of medical care for acute conditions arising in the course of the client's rehabilitation, which if not cared for would constitute a hazard to the achievement of the rehabilitation objective because of the client's limited funds and the unavailability of free medical services.

ITEM 6. Amend subrule 56.16(2) as follows:

56.16(2) Types of training. The types of training programs available are as follows:

- a. No change.
- b. Vocational training, which includes any organized form of instruction that provides the knowledge and skills essential for performing in a vocational-technical area. Such knowledge and skills may be acquired through training in an institution, on the job, by correspondence, by tutors, through a selection from the menu of services, or through a combination of any or all of these methods.

c. Prevocational training, which includes any form of basic training given for the acquisition of background knowledge or skills prerequisite or preparatory to vocational training or to employment where the primary occupational knowledge and skills are learned on the job or through a selection from the menu of services.

d. to g. No change.

ITEM 7. Amend subrule 56.16(4), introductory paragraph, as follows:

56.16(4) *Financial assistance for postsecondary training.* Calculations of financial assistance for postsecondary training are ~~based on tuition and fee amounts~~ determined annually. In order for the division to continue to assist the greatest practical number of eligible clients, assistance shall be no less than 40 percent and no more than 60 percent of the cost of attending the least expensive in-state public institution for a course of instruction leading to an undergraduate degree. In all cases, the postsecondary institution in which the student is enrolled must be accredited by an entity recognized by the federal Department of Education as having authority to accredit postsecondary institutions.

ITEM 8. Rescind paragraph **56.16(4)“a”** and adopt the following **new** paragraph in lieu thereof:

a. Tuition and fee-based general assistance.

(1) Second year or less status. A student is considered to be in second year or less status when the student has earned fewer than 60 semester or 90 quarter credit hours in the student's present area of study or discipline; when the student is enrolled in a community college or other two-year postsecondary institution; or when the student is enrolled in a program whose terminal degree is an associate degree but the student has not yet attained the associate degree. For an eligible student in second year or less status, the division shall pay no less than 40 percent and no more than 60 percent of the least expensive per-credit-hour tuition charged by an Iowa community college.

(2) Third or fourth year status. A student is considered to be in third or fourth year status if the student has earned at least 60 semester or 90 quarter credit hours or has achieved an associate degree in the student's present area of study or discipline but has not yet earned a postsecondary baccalaureate degree. For an eligible student in third or fourth year status, the division shall pay no less than 40 percent and no more than 60 percent of the tuition charged by the college or university, limited to the amount charged by the least expensive Iowa regents institution. Students in third or fourth year status who take graduate courses are only eligible to receive the established assistance rate for third or fourth year status.

(3) Medical school. Only a student enrolled full-time in a graduate school pursuing a course of studies that will lead to a medical doctor (MD) or doctor of osteopathy (DO) degree is eligible for assistance under this paragraph. For a student who is an MD or DO candidate, the division shall pay no less than 40 percent and no more than 60 percent of the tuition charged by the college of medicine of the University of Iowa. Students pursuing any other graduate degree in a medical arts program may be eligible for assistance under subparagraph 56.16(4)“a”(5).

(4) Law school. Only a student enrolled full-time in a graduate school pursuing a course of studies that will lead to a doctor of jurisprudence (JD) degree is eligible for assistance under this paragraph. For a student who is a JD candidate, the division shall pay no less than 40 percent and no more than 60 percent of the tuition charged by the college of law of the University of Iowa. Students pursuing any other graduate degree from a law school may be eligible for assistance under subparagraph 56.16(4)“a”(5).

(5) Graduate or postgraduate school. Notwithstanding subparagraphs 56.16(4)“a”(3) and (4), for a student enrolled in a graduate or postgraduate school, the division shall pay no less than 40 percent and no more than 60 percent of the tuition charged by the college or university, limited to the amount charged by the least expensive comparable graduate school at an Iowa regents institution.

(6) Distance learning (on-line courses). For a student enrolled in a distance learning course, the division shall pay the lesser of one of the following:

1. No less than 40 percent and no more than 60 percent of the actual cost of the course, or
2. The rate established for a student in second year or less status.

(7) Continuing education courses. For a student taking a noncredit continuing education course, the division shall pay the lesser of one of the following:

1. No less than 40 percent and no more than 60 percent of the actual cost of the course, or
2. The rate established for a student in second year or less status.

(8) Out-of-state postsecondary institutions. For an eligible student who attends a postsecondary institution located outside Iowa the division shall pay at the same rates set in this subrule.

ITEM 9. Amend rule 281—56.21(259) as follows:

281—56.21(259) Placement. The division not only prepares individuals with disabilities for jobs and trains them in techniques in securing their own jobs, but also accomplishes the actual placement, directly or indirectly through a service from the menu of services, of all eligible individuals with disabilities who receive rehabilitation services. Placement activities are based upon adequate evaluation and preparation of the client and ordinarily include some combination of the following: evaluation of the client’s job readiness; development and execution of a plan for job-seeking activities; instruction in making job applications and in conduct and appearance during interviews; employer contacts; registration with the state workforce development center administration division; job analysis and modification; job coaching; employer or supervisor consultation, advisement and training; time-limited job coaching; postplacement follow-up; and relocation costs. Satisfactory employment is the objective of all division services of preparation, and placement services are an important, integral part of the overall vocational rehabilitation program. As such, in addition to the services listed herein, placement services may include the need for transportation and subsistence allowances and the purchase and acquisition of appropriate clothing, tools, equipment, and occupational licenses.

ITEM 10. Amend rule 281—56.22(259) as follows:

281—56.22(259) Supported employment and transitional employment. As defined herein, supported employment is provided to clients with the most significant disabilities for whom competitive employment has not traditionally occurred or has been interrupted or intermittent as a result of significant disabilities. Supported employment also includes transitional employment as defined herein for clients with mental illnesses. Supported employment is provided either directly by division staff or through the selection of an item from the menu of services.

ITEM 11. Amend rule 281—56.24(259) as follows:

281—56.24(259) Facilities.

56.24(1) *Types of facilities.* It is the policy of the division to utilize any type of public or private facility that is equipped to render the required services from the menu of services of diagnosis, physical restoration, training, and placement. Facilities include public and private schools; colleges and universities; correspondence schools; agencies for personal adjustment training; business and industrial establishments for employment training; psychometric service agencies; physicians' and dentists' offices; hospitals; sanatoria and clinics; audiometric service centers; rehabilitation centers; the offices of occupational, physical and work therapists or agencies providing these services; convalescent homes; prosthetic appliance dealerships; and other similar facilities that are adequately equipped to contribute to the rehabilitation of individuals with disabilities.

56.24(2) *Standards for facilities providing specialized training or other services.* The division selects its training agencies on the basis of their ability to supply the quality of training desired. The general practice of the division is to utilize the facilities of accredited or approved colleges, universities, and trade and commercial schools for residence and correspondence training. The general practice of the division is to utilize community partners to deliver items from the menu of services based on the partners' ability to supply the quality of training desired and to achieve expected outcomes resulting in job placements for clients of the division.

56.24(3) *Facilities providing ~~customized~~ training.* Facilities selected as locations for employment training must have personnel qualified with respect to personality, knowledge and skills in the technique of instruction, have adequate equipment and instructional materials and be willing to make definite provisions for a plan of graduated progress in the job to be learned according to an efficiently organized and supervised instructional schedule.

56.24(4) No change.

ITEM 12. Amend rule 281—56.26(259) as follows:

281—56.26(259) Exceptions to duration of services. As required by the Act and 34 CFR 361.50(d), the division shall have a method of allowing for exceptions to its rules regarding the duration of services. In order to exceed the duration of service as it is defined in the employment plan, a client must follow through on the agreed-upon employment plan and related activities and keep the division informed of the client's progress.

56.26(1) *Reasons for exceptions.* Major reasons that will be considered in determining if an

exception should be granted in favor of an applicant include, but are not limited to, the following:

- a. The need is disability-related.
 - b. Academic performance is poor, but could reasonably be expected to return to or above the required threshold in one semester.
 - c. The service is necessary and required in order for the client to attain employment.
- 56.26(2) and 56.26(3)** No change.

ITEM 13. Amend rule 281—56.28(259) as follows:

281—56.28(259) Purchasing.

56.28(1) General purchasing principles.

- a. to d. No change.
- e. Items purchased for a client become the property of the client but may be repossessed by the division, subject to reimbursement to the client for the client's share of the purchase price, if the client does not attain employment prior to case closure.

56.28(2) Client-specific purchasing principles. When considering what item/model to purchase for a specific client, the division shall in all cases consider the following factors:

- a. and b. No change.
- c. Whether other parties or entities may be responsible for providing or contributing to the costs of an item.

ITEM 14. Amend rule 281—56.29(259) as follows:

281—56.29(259) Review process. At the time of making application for rehabilitation services, and at other times throughout the rehabilitation process, all applicants and clients shall be informed of the right to appeal and the procedures by which to file an appeal. If an applicant or client is dissatisfied with any agency decision that directly affects the applicant or client, the applicant, client, or designated representative may appeal that decision or request mediation. The term “appellant” shall be used to indicate the applicant, client, or designated representative who initiates an appeal. The appellant ~~initiates~~ may initiate the appeal process either by calling a counselor or supervisor or by filing the appropriate division appeal form, available from any counselor or supervisor of the division, ~~or by calling a counselor or supervisor.~~ If the appeal process is initiated by telephone, the counselor or supervisor who received the call must complete the appeal form to the best of that person's ability with information from the appellant. The division shall accept as an appeal a written letter, facsimile, or electronic mail that indicates that the applicant or client desires to appeal. An appeal must be filed within 90 days of notification of the disputed decision. Once the appeal form has been filed with the division administrator, a hearing shall be held before an impartial hearing officer (IHO) within the next 60 days unless an extension of time is mutually agreed upon or one of the parties shows good cause for an extension. The appellant may request that the appeal go directly to impartial hearing, but the appellant shall be offered the opportunity for a supervisor review or mediation. The appellant may request assistance with an appeal or mediation from the Iowa client assistance program (ICAP).

ITEM 15. Amend rule 281—56.37(82GA,SF2101) as follows:

281—56.37(82GA,SF2101 259) Purpose. The division of vocational rehabilitation services works in collaboration with the Iowa department for the blind to administer the Iowa self-employment (ISE) program, which is also known as the entrepreneurs with disabilities (EWD) program. The purpose of the program is to provide business development ~~grants~~ funds in the form of technical assistance, ~~monetary business development grants~~ (up to \$10,000), and financial assistance ~~grants~~ (up to \$10,000) to qualified Iowans with disabilities who start, ~~or~~ expand, or acquire a business within the state of Iowa.

ITEM 16. Amend rule 281—56.38(82GA,SF2101) as follows:

281—56.38(82GA,SF2101 259) Eligibility requirements. Clients of the division or the department for the blind may apply for the program. All of the following conditions are also applicable:

1. to 3. No change.

4. Recommendation for and approval of financial assistance is based upon acceptance of a business plan feasibility study and documentation of the applicant's ability to match dollar-for-dollar the amount of funds requested.

4. 5. In order to receive financial support from the ISE program, the applicant's business plan feasibility study must result in self-sufficiency for the applicant as measured by earnings that equal or exceed 80 percent of substantial gainful activity.

6. The division cannot support the purchase of real estate or improvements to real estate.

7. The division cannot provide funding to be used as a cash infusion, for personal or business loan repayments, or for personal or business credit card debt.

8. The division may deny ISE assistance to an applicant who desires to start, expand, or acquire any of the following types of businesses:

- A hobby or similar activity that does not produce income at the level required for self-sufficiency;
- A business venture that is speculative in nature or considered high risk by the Better Business Bureau or similar organization;
- A business registered with the federal Internal Revenue Service as a Section 501(c)(3) entity or other entity set up deliberately to be not-for-profit;
- A business that is not fully compliant with all local, state, and federal zoning requirements and all other applicable local, state, and federal requirements.

ITEM 17. Amend rule 281—56.39(82GA,SF2101) as follows:

281—56.39(82GA,SF2101 259) Application procedure.

56.39(1) and 56.39(2) No change.

56.39(3) Review. Applications will be forwarded to a business development specialist employed by the division for review. Applicants whose applications receive a minimum score of 60 points out of a total 100 points ~~and are accompanied by a letter of support from the division or the department for the blind~~ are eligible to pursue a technical assistance ~~grant~~ funding. Approval of a technical assistance ~~grant~~ funding is based upon the results of a business plan feasibility study. If the application is for financial assistance only, a business

plan feasibility study will be required at the time of submission of the application. Applicants whose business plans receive a minimum score of 75 points out of a total of 100 points and a minimum of 15 points per section are eligible to pursue a financial assistance grant funding. Approval of a financial assistance grant funding is based upon acceptance of a business plan feasibility study and documentation of the applicant's ability to match dollar-for-dollar the amount of funds requested. A decision on all applications and forms will generally be issued within 30 days of submission with notification by letter to the applicant.

56.39(4) No change.

~~**56.39(5)** Applications for financial assistance—evaluation factors for business plans.—~~
Applications for financial assistance from the program will be reviewed and evaluated using a 100-point system, based upon the following criteria:

a. ~~Feasibility: 0–25 points. Feasibility will be considered based upon the overall business plan. Rating factors for this criterion include, but are not limited to: market analysis, financial projections, initial capitalization, management, and historic data relative to similar businesses. A minimum of 15 points is required for this rating factor.~~

b. ~~Market plan: 0–25 points. Does the business plan contain sufficient information to demonstrate that the applicant fully understands who the applicant's customers will be and how to reach them? Is there adequate information about competition, market need, location, sales/marketing methods, and a product/service description? Is a promotional plan included in the business plan? A minimum of 15 points is required for this rating factor.~~

c. ~~Financial plan: 0–25 points. Does the business plan contain a two-year cash flow projection and profit and loss projection? Is there an itemized listing of fixed assets, working capital, and other start-up, expansion and acquisition needs, including detailed descriptions of equipment to be purchased? Is there a clear statement regarding the composition of the anticipated financial package? Has the applicant provided a personal financial statement along with a detailed personal monthly budget form? A minimum of 15 points is required for this rating factor.~~

d. ~~Organizational information: 0–25 points. Does the business plan document sufficient education and work experience relevant to the proposed business? Does the business plan demonstrate adequate management experience by the principal party(ies)? A minimum of 15 points is required for this rating factor.~~

56.39(6) 56.39(5) *Appeal of application evaluation.* If an application is denied based upon the assignment of an inadequate evaluation score, an applicant may appeal the decision to the division or the department for the blind. An appeal shall be consistent with the appeal processes of the division or the department for the blind.

ITEM 18. Amend rule 281—56.40(82GA,SF2101) as follows:

281—56.40(82GA,SF2101 259) Award of technical assistance grants funds.

56.40(1) Awards. Technical assistance grants funds may be used for specialized consulting services as determined necessary by the counselor, the business development specialist, and the client. Technical assistance grants funds may be awarded up to a maximum of \$10,000 per applicant. Specialized technical assistance may include, but is not limited to, market analysis; marketing plans; engineering, legal, accounting, and computer

services; preliminary business plan feasibility study development; financial packaging; and other consulting services that require specialized education and training.

56.40(2) Award process. Upon approval of the application by the counselor and the business development specialist, generally within 30 days, an applicant will receive notification of eligibility to pursue technical ~~or financial~~ assistance funding. The applicant must demonstrate the ability ~~to contribute at least 50 percent of the start-up costs and the ability~~ to cover any technical assistance costs beyond \$10,000 if necessary. The business development specialist will identify ~~if whether~~ specialized services are needed and will provide recommendation for approval by the division or departmental staff.

~~**56.40(3) Approval of business plan feasibility study.** A business plan feasibility study indicating that the proposed business has a likelihood of success based upon the scoring will accompany notification letters. The business plan feasibility study will require an applicant to identify specific steps in the business planning process as well as who will be involved in each step of the process, address budgetary guidelines, and provide a timeline. The business plan feasibility study must be signed by the applicant and the business development specialist. Applicants receiving a score of 100 out of 125 points on the feasibility study will be recommended for technical or financial assistance or both.~~

~~**56.40(4) 56.40(3) Technical assistance grant contracts.** The division shall negotiate contracts with qualified consultants for delivery of services to an applicant if specialized services are deemed necessary. The contracts shall state hourly fees for services, the type of service to be provided, and a timeline for delivery of services. Authorization of payment will be made by a counselor employed by the division or the department for the blind based upon the negotiated rate as noted in the business plan contract. A copy of each contract shall be filed with the division.~~

~~**56.40(5) 56.40(4) Consultants.** Applicants will be provided a list of qualified business consultants by the business development specialist if specialized consultation services are necessary. The selection of the consultant(s) shall be the responsibility of the applicant.~~

~~**56.40(6) 56.40(5) Case management.** The business development specialist or counselor will ~~commit a specific number of hours of~~ be available as needed for direct consultation to each applicant to ensure that quality services for business planning are provided in a timely manner.~~

ITEM 19. Rescind rule 281—56.41(82GA,SF2101) and adopt the following new rule in lieu thereof:

281—56.41(259) Business plan feasibility study procedure. Information and materials are available from the division and the department for the blind.

56.41(1) Submittal. The client shall submit the client's business plan feasibility study to the client's counselor if the study is completed at the time application is made or to the business development specialist if the business plan feasibility study is completed after application approval.

56.41(2) Review. The business plan feasibility study will be reviewed, evaluated, and scored by the business development specialist using a 100-point system. A business plan

feasibility study receiving a minimum score of 75 points, with at least 15 points per section, will be recommended for financial assistance funding. Generally, the business development specialist will review the client's business plan feasibility study within 30 days of submission and will make recommendation for next steps to all parties involved.

56.41(3) *Evaluation Factors.*

a. Personal sense: 0 – 20 points. Is the personal credit report sufficient to be considered for financial support or loans? If the credit report documents serious delinquencies or derogatory indicators or remarks, or includes adverse data from public or collection information sources, how have these issues been addressed or resolved? Are there other outstanding debt obligations which have been self-reported? Is there evidence that consideration and solutions/accommodations were given to possible barriers that might result due to disability?

b. Business sense: 0-20 points. Does the business plan feasibility study contain a well-written executive summary, business description, and operation and management plan?

c. Market sense: 0-20 points. Does the business plan feasibility study include details about market research and analysis as well as a market plan?

d. Financial sense: 0-20 points. Does the business plan feasibility study include details of capital requests, projected financials, and, where applicable, historical financials?

e. Other content area: 0-20 points. Does the business plan have a title page, table of contents, and appendix containing supporting documents?

56.41(4) *Appeal of denial.* If funding is denied based upon a low evaluation score, an applicant may appeal the decision to the division or department for the blind, consistent with the appeal processes of the agencies.

ITEM 20. Adopt the following new rule 281—56.42(259):
281—56.42(259) Award of financial assistance funds.

56.42(1) *Awards.* Following the business development specialist's evaluation and scoring of the business plan feasibility study, the business development specialist will issue a recommendation to support or not to support the proposed business venture. The counselor shall make a decision regarding approval or denial of the recommendation. If approved, the client and counselor will review conditions of the financial assistance award and sign the appropriate forms of acknowledgment.

a. Financial assistance funds may be awarded up to \$10,000 based upon an approved business plan feasibility study and evidence of business need or evidence of business progression. Before receiving financial assistance, the client must demonstrate a dollar-for-dollar match based on the amount of funding needed. The match may be provided through approved existing business assets, cash, conventional financing or other approved sources.

b. Financial assistance funds may be approved for, but are not limited to: equipment, tools, printing of marketing materials, advertising, rent (up to six months), direct-mail

postage, raw materials, inventory, insurance (up to six months), and other approved start-up, expansion, or acquisition costs.

56.42(2) *Award process.* The amount that may be recommended by the business development specialist and approved by the counselor shall be provided in three phases of business operations, when each phase meets specified business results and when the need for additional financial assistance funding is indicated.

a. The timing of each phase and the amount of funds for each phase should be established in the approved business plan feasibility study, as recommended by the business development specialist and approved by the counselor.

b. Recipients of financial assistance must demonstrate ongoing cooperation by providing the business development specialist with financial information needed to assess business progress before additional funds are expended.

56.42(3) *Financial assistance contracts.* Contracts for financial assistance funds shall be the responsibility of the division and will be consistent with the authorized use of Title I vocational rehabilitation funds and policy.

56.42(4) *Vendors.* Procurement of goods or services shall follow procedures established by the department of administrative services. The type of goods or services to be obtained, as well as a timeline for delivery of such shall be stated by the vendor and agreed upon by the division. Authorization for goods or services shall be made by a counselor employed by the division or the department for the blind based upon the negotiated rate and terms as noted in the contract. A copy of each contract shall be filed with the division. Approval for payment of authorized goods or services shall be made by authorized division personnel.